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Scenario II

Trust Funds Subject to
Limitation

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Preface

This section illustrates the proper recording of unobligated balances for trust funds that are subject to limitation. It **pertains only** to those trust funds whose receipts are immediately appropriated, but precluded from obligation at year-end by a provision of law, such as a benefit formula or limitation. For example, three of the trust funds that fall within this category are: Federal Old Age and Survivors Insurance Trust Fund, Federal Supplementary Medical Insurance Trust Fund, and Unemployment Trust Fund. These trust funds must match budget authority with obligations. Therefore, there are no beginning or ending balances available for obligation at year-end.

Reporting guidelines stipulate that the year-end SF 133 Report on Budget Execution must tie with the Program and Financing Schedule (P&F) in the Budget Appendix of the U.S. Government. Furthermore, there is a relationship that exists between the Schedule of Unavailable Collections (Schedule N – precedes the P&F in the Budget Appendix) and the P&F. The year-end SF 133, P&F and Schedule N should reflect that the amount of current year receipts less obligations equals amounts precluded from obligation. This concept applies to the trust fund as a whole, whether or not some or all of the program activity within the trust fund is subject to apportionment. The transactions and reports that follow illustrate this as well.

The scenario illustrates the use of the following new SGL accounts that have been established for the reporting period beginning fiscal 2001. Visit the SGL web site for fiscal 2000 interim trust fund guidance for authority temporarily precluded from obligation (www.fms.treas.gov/ussgl/sgl-impl.html).

- 4157 Authority Made Available from Receipt or Appropriation Balances Previously Precluded from Obligation
- 4158 Authority Made Available from Offsetting Collections Balances Previously Precluded from Obligation
- 4397 Receipts and Appropriations Temporarily Precluded from Obligation
- 4398 Offsetting Collections Temporarily Precluded from Obligation

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 1

1. To record appropriated receipts into a trust fund.				
Proprietary				
1010	Fund Balance with Treasury	500		
	5800G Tax Revenue Collected		500	
Budgetary				
4114	Appropriated Trust or Special Fund Receipts	500		
4620	Unobligated Funds Not Subject to Apportionment*		500	
*Assume trust fund is not subject to apportionment.				
2. To record offsetting collections (Federal) received by trust fund for work performed under the Economy Act**. Assume program is subject to apportionment.				
Proprietary				
1010	Fund Balance with Treasury	700		
	5200 Revenue from Services Provided		700	
Budgetary				
4252	Reimbursements and Other Income Earned – Collected	700		
4450	Unapportioned Authority		700	
**Note: Generally all trust fund receipts and collections are recorded into SGL account 4114 Appropriated Trust or Special Fund Receipts. An exception exists for work performed under the Economy Act, for which the collections are recorded as offsetting and netted against outlays.				
3. To record obligation, expenditure and disbursement of funds against portion of receipts collected in transaction 1.				
Proprietary				
6100N	Operating Expenses/Program Costs	225		
1010	Fund Balance with Treasury		225	
Budgetary				
4620	Unobligated Funds Not Subject to Apportionment	225		
4902	Expended Authority - Paid		225	

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

4. To record apportionment, allotment, and subsequent obligation, expenditure and disbursement of funds against the offsetting collections in transaction 2.

Proprietary

6100N	Operating Expenses/Program Costs	75	
1010	Fund Balance with Treasury		75

Budgetary

4450	Unapportioned Authority	75	
4510	Apportionments		75
4510	Apportionments	75	
4610	Allotments - Realized Resources		75
4610	Allotments - Realized Resources	75	
4801	Unexpended Obligations - Unpaid		75
4801	Unexpended Obligations – Unpaid	75	
4902	Expended Authority – Paid		75

ADJUSTING ENTRIES:

For trust funds whose receipts are precluded from obligation at year-end by a provision of law, record the following **pre-closing** entries at the end of the year. Note that these entries may also be made during the year if specified as so by law.

A1) To record appropriated receipts temporarily precluded from obligation.

4620	Unobligated Funds Not Subject to Apportionment	275	
4397	Receipts and Appropriations Temporarily Precluded from Obligation		275

A2) To record offsetting collections temporarily precluded from obligation.

4450	Unapportioned Authority	625	
4398	Offsetting Collections Temporarily Precluded from Obligation		625

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 1

Budgetary

Pre-Closing Adjusted Trial Balance (FACTS II ATB)

4114	500	
4252	700	
4397		275
4398		625
4902		300
	1,200	1,200

Budgetary Closing Entries:

C1. To consolidate resources

4201 Total Actual Resources - Collected 1,200

4114 Approp Trust or Sp Fd Receipts 500
4252 Reimb and Other Inc Earned - Coll 700

C2. To close expended authority paid

4902 Expended Authority - Paid 300
4201 Total Actual Resources - Collected 300

Budgetary Post-Closing Trial Balance

4201	900	
4397		275
4398		625
	900	900

Year 1

Proprietary

Pre-Closing Adjusted Trial Balance (FACTS I ATB)

1010	900	
5800		500
5200		700
6100	300	
	1,200	1,200

Proprietary Closing Entries:

C1. To close revenues and expenses into cumulative results of operations

5800 Tax Revenue Collected 500
5200 Revenue fr Services Prov 700
3310 Cumulative Results of Operation 900
6100 Operating Exp/Prog Costs 300

Proprietary Post-Closing Trial Balance

1010	900	
3310		900
	900	900

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 1

SF 133 - Quarter 4

1A	Appropriations (4114E)	500
2A	Unobligated balance brought forward	0
3A1	Spending authority from offsetting collections (4252E)	700
5	Temporarily not available pursuant to P.L. (4397E-B, 4398E-B)	<u>(900)</u>
7	Total budgetary resources	300
8A1	Obligations incurred, direct (4902E)	75
8A3	Obligations incurred, direct, not subj to apportion (4902E)	225
9	Unobligated Balances Available	<u>0</u>
11	Total Status of budgetary resources	300
12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period	
15A.	Disbursements (4902E)	300
15B.	Collections (4252E)	700

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Column 5	Post-closing unexpended balance (1010E)	900
Column 11	Unobligated balance (4397E, 4398E)	900

Schedule P - Program & Financing

Obligations by Program Activity

1000	Total New Obligations (4902E)	300
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Budgetary Resources Available for Obligation

2200	New budget authority (gross) (sum 4000 to 6990)	300
2395	Total new obligations (-) (from line 1000)	<u>(300)</u>
2499	Total unobligated balance, end of year	0

New Budgetary Authority (Gross) Detail

6027	Appropriation (trust fund, indefinite) (4114E)	500
6045	Portion precluded from obligation (-) (4397E-B)	(275)
6800	Discer spend authority from offsetting collections (4252E)	700
6845	Portion unavailable for obligation (-) (4398E-B)	<u>(625)</u>
7000	Total new budget authority (gross) (4114E+4252E+4397E-B+4398E-B)	300

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 1

Form and Content Reports

<u>Balance Sheet</u>	
ASSETS	
1A1. Entity-Intragovernmental (1010E)	900
LIABILITIES & NET POSITION	
8. Cumulative Results of Operations (3310E)	900
<u>Statement of Net Cost</u>	
1B1. Program Costs-Public-Production (6100E)	300
1D. Less Earned Revenue (5200E)	(700)
5. Net Cost of Operations (calc)	(400)
<u>Statement of Changes in Net Position</u>	
1. Net Cost of Operations	(400)
2B. Financing Sources-Taxes (5800E)	500
9. Net Position-End of Period (calc)	900

<u>Statement of Budgetary Resources</u>	
1A. Budg Auth - Approps (4114E)	500
3A1. Sp Auth from Off Coll (4252E)	700
4B. Adj-Temp not Avail (4397E-B, 4398E-B)	(900)
5. Total Budgetary Resources	300
6. Obligations Incurred (4902E)	300
9. Total Status of Resources	300
10. Obligations Incurred (4902E)	300
11A1. Sp Auth from Off Coll (4252E)	700
15. Total Outlays (calc)	(400)
<u>Statement of Financing</u>	
1A. Obligations Incurred (4902E)	300
1B1a.Earned Reimb Collected (4252E)	(700)
1J. Total (calc)	(400)
5.Net Cost of Operations (calc)	(400)

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 2

1. To record appropriated receipts into a trust fund.				
Proprietary				
1010	Fund Balance with Treasury	600		
	5800G Tax Revenue Collected		600	
Budgetary				
4114	Appropriated Trust or Special Fund Receipts	600		
	4620 Unobligated Funds Not Subject to Apportionment		600	
2a. To record obligation, expenditure and disbursement of funds. <i>Current year receipts do not cover expenses.</i>				
Proprietary				
6100N	Operating Expenses/Program Costs	750		
	1010 Fund Balance with Treasury		750	
Budgetary				
4620	Unobligated Funds Not Subject to Apportionment	750		
	4902 Expended Authority - Paid	750		
- and -				
2b. To record authority made available from previously unavailable balances.				
4157	Authority Made Available from Receipt or Appropriation Balances Previously Precluded from Obligation*		75	
4158	Authority Made Available from Offsetting Collections Balances Previously Precluded from Obligation*		75	
	4620 Unobligated Funds Not Subject to Apportionment			150
<i>*Note: Accounts 4157 and 4158 will close to 4397 and 4398, respectively</i>				

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 2

BUDGETARY

Pre-Closing Adjusted Trial Balance (FACTS II ATB)

4114	600	
4157	75	
4158	75	
4201	900	
4397		275
4398		625
4902		750
	1,650	1,650

Budgetary Closing Entries:

C1. To consolidate resources and close expended authority paid

4902	Expended Authority - Paid	750	
4114	Approp Trust or Sp Fd Receipts	600	
4201	Total Actual Resources - Coll	150	

C2. To reduce balances prev precluded from obligation by amt needed to cover current year obligations

4397	Receipts and Appropriations Temporarily Precluded from Obligation	75	
4157	Authority Made Available from Receipt or Appropriation Balances Previously Precluded from Obligation	75	
4398	Offsetting Coll Temp Precl from Obligation	75	
4158	Authority Made Available from Offsetting Collections Balances Previously Precluded from Obligation	75	

Budgetary Post-Closing Trial Balance

4201	750	
4397		200
4398		550
	750	750

Year 2

PROPRIETARY

Pre-Closing Adjusted Trial Balance (FACTS I ATB)

1010	750	
5800		600
6100	750	
3310		900
	1,500	1,500

Proprietary Closing Entries:

C1. To close revenues and expenses into cumulative results of operations

5800	Tax Revenue Collected	600	
3310	Cumulative Results of Operations	150	
6100	Operating Exp/Prog Costs	750	

Proprietary Post-Closing Trial Balance

1010	750	
3310		750
	750	750

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 2

SF 133 - Quarter 4

1A	Appropriations (4114E+4157E+4158E)	750
2A	Unobligated balance brought forward (4201B+4397B+4398B)	0
3A1	Spending authority from offsetting collections	
5	Temporarily not available pursuant to P.L. (4397E-B, 4398E-B)	<u>0</u>
7	Total budgetary resources	750
8A3	Obligations incurred, direct, not subj to apportion (4902E)	750
9	Unobligated Balances Available	<u>0</u>
11	Total Status of budgetary resources	750
12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period	
15A.	Disbursements (4902E)	750

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Column 5	Post-closing unexpended balance (1010E)	750
Column 11	Unobligated balance (4157E+4158E+4397E+4398E)	750

Schedule P - Program & Financing

Obligations by Program Activity

1000	Total New Obligations (4902E)	750
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Budgetary Resources Available for Obligation

2200	New budget authority (gross) (sum 4000 to 6990)	750
2395	Total new obligations (-) (from line 1000)	<u>(750)</u>
2499	Total unobligated balance, end of year	0

New Budgetary Authority (Gross) Detail

6027	Appropriation (trust fund, indefinite) (4114E)	600
6028	Appropriation (unavailable balances) (4157E)	75
6045	Portion precluded from obligation (-)	
6800	Discr spend authority from offsetting collections	
6826/6926	From offsetting collections (unavailable balances) (4158E)	75
6845	Portion unavailable for obligation (-)	<u>0</u>
7000	Total new budget authority (gross) (4114E+4252E+4157E+4158E+4397E-B+4398E-B)	750

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SCENARIO II – TRUST FUNDS SUBJECT TO LIMITATION

Year 2

Form and Content Reports

<u>Balance Sheet</u>	
ASSETS	
1A1. Entity-Intragovernmental (1010E)	750
LIABILITIES & NET POSITION	
8. Cumulative Results of Operations (3310E)	750
<u>Statement of Net Cost</u>	
1B1. Program Costs-Public-Production (6100E)	750
5. Net Cost of Operations (calc)	750
<u>Statement of Changes in Net Position</u>	
1. Net Cost of Operations	750
2B. Financing Sources-Taxes (5800E)	600
8. Net Position-Beg of Period (3310B)	900
9. Net Position-End of Period (calc)	750

<u>Statement of Budgetary Resources</u>	
1A. Budg Auth - Approps (4114E, 4157E, 4158E)	750
4B. Adj-Temp not Avail (4397E-B, 4398E-B) <u>(0)</u>	
5. Total Budgetary Resources	750
6. Obligations Incurred (4902E)	<u>750</u>
9. Total Status of Resources	750
10. Obligations Incurred (4902E)	750
15. Total Outlays (calc)	750
<u>Statement of Financing</u>	
1A. Obligations Incurred (4902E)	750
1J. Total (calc)	750
5. Net Cost of Operations (calc)	750